

**Youngstown Central Area
Community Improvement Corporation**

AUDIT REPORTS

Years Ended June 30, 2009, 2008, and 2007

BODINE  PERRY LLC
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Mary Taylor, CPA
Auditor of State

Board of Trustees
Youngstown Central Area Community Improvement Corporation
11 Central Square, Suite 1600
Youngstown, Ohio 44503

We have reviewed the *Independent Auditors' Report* of the Youngstown Central Area Community Improvement Corporation, Mahoning County, prepared by Bodine Perry, LLC, for the audit period July 1, 2006 through June 30, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Youngstown Central Area Community Improvement Corporation is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Robert R. Hinkle".

Robert R. Hinkle, CPA
Chief Deputy Auditor

May 11, 2010

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INDEPENDENT AUDITORS' REPORT

November 19, 2009

Board of Trustees
Youngstown Central Area Community Improvement Corporation
Youngstown, Ohio

We have audited the accompanying financial statements of Youngstown Central Area Community Improvement Corporation (YCACIC) as of and for the years ended June 30, 2009, 2008, and 2007, as listed in the table of contents. These financial statements are the responsibility of the YCACIC's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of YCACIC, as of June 30, 2009, 2008, and 2007, and the changes in net assets and revenues, expenditures and other changes, and the cash flows for the years ended June 30, 2009, 2008, and 2007 in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2009, on our consideration of YCACIC's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance.

That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of federal awards on page 11 is presented for additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. The Schedule of Functional Expenses on page 13 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

BODINE PERRY, LLC
Certified Public Accountants and Business Analysts

Canfield, Ohio

Youngstown Central Area Community Improvement Corporation

Statements of Financial Position

June 30, 2009, 2008, and 2007

ASSETS

	2009	2008	2007
<u>CURRENT ASSETS</u>			
Cash	\$ 205,548	\$ 204,618	\$ 556,057
Investments	244,327	4,318	223,686
Investments - Designated	713,240	918,432	782,317
Accounts Receivable	43,136	41,948	15,029
Grant Receivable - For Others	3,032,000	460,560	4,836,970
Accrued Receivables	286,314	601,117	211,882
Prepaid Expenses	8,753	39,757	2,853
Total Current Assets	<u>4,533,318</u>	<u>2,270,750</u>	<u>6,628,794</u>
<u>PROPERTY AND EQUIPMENT</u>			
Building	8,389,929	8,389,929	8,389,929
Building Improvements	846,130	750,111	446,212
Land	2,758,580	2,758,580	2,758,580
Land Improvements	360,395	360,395	360,395
Furniture and Equipment	13,045	13,045	9,142
Construction in Progress	965,431	58,500	25,052
Subtotal	<u>13,333,510</u>	<u>12,330,560</u>	<u>11,989,310</u>
Less: Accumulated Depreciation	<u>(3,539,921)</u>	<u>(3,219,645)</u>	<u>(2,900,703)</u>
Total Property and Equipment	9,793,589	9,110,915	9,088,607
<u>OTHER ASSETS</u>			
Deferred Bond Issue Costs (Net of Accumulated Amortization of Amortization of \$73,775, \$67,069 and \$60,362 in 2009, 2008, and 2007, respectively)	127,430	134,137	140,844
Total Other Assets	<u>127,430</u>	<u>134,137</u>	<u>140,844</u>
TOTAL ASSETS	\$ <u>14,454,337</u>	\$ <u>11,515,802</u>	\$ <u>15,858,245</u>

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES</u>			
Accounts Payable	\$ 1,101,246	\$ 410,181	\$ 154,847
Bonds Payable, Current Portion	125,000	120,000	100,000
Security Deposits	450	450	450
Accrued Bond Interest	134,481	137,039	139,148
Accrued Real Estate Taxes	1,095	1,091	1,587
Accrued Expenses	-	3,561	-
Unearned Rent	20,334	20,334	20,334
Deferred Grant Revenue	-	-	52,198
Grant Payable - For Others	3,032,000	460,560	4,836,970
Total Current Liabilities	<u>4,414,606</u>	<u>1,153,216</u>	<u>5,305,534</u>
<u>LONG-TERM DEBT</u>			
Bonds Payable, Net of Current Portion and Unamortized Bond Discount of \$100,493, \$106,801, and \$113,110 in 2009, 2008, and 2007, respectively	5,649,507	5,768,199	5,881,890
Total Liabilities	10,064,113	6,921,415	11,187,424
<u>NET ASSETS</u>			
Unrestricted			
Designated	713,240	918,432	782,317
Undesignated	3,676,984	3,675,955	3,888,504
Total Unrestricted Net Assets	<u>4,390,224</u>	<u>4,594,387</u>	<u>4,670,821</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>14,454,337</u>	\$ <u>11,515,802</u>	\$ <u>15,858,245</u>

See Independent Auditors' Report and Notes to Financial Statements

Youngstown Central Area Community Improvement Corporation

Statements of Activities

For The Years Ended June 30, 2009, 2008, and 2007

	2009	2008	2007
<u>UNRESTRICTED REVENUES AND OTHER SUPPORT</u>			
Rental Income	\$ 983,331	\$ 985,374	\$ 952,825
Interest Income	4,371	28,602	49,437
Other	516,724	579,527	412,105
Total Unrestricted Revenues and Other Support	1,504,426	1,593,503	1,414,367
<u>EXPENSES</u>			
Program	1,684,589	1,645,937	1,577,132
General and Administrative	24,000	24,000	24,000
Total Expenses	1,708,589	1,669,937	1,601,132
Decrease in Unrestricted Net Assets	(204,163)	(76,434)	(186,765)
Unrestricted Net Assets - Beginning of Year	4,594,387	4,670,821	4,857,586
Unrestricted Net Assets - End of Year	\$ 4,390,224	\$ 4,594,387	\$ 4,670,821

Youngstown Central Area Community Improvement Corporation

Statement of Cash Flows

For The Years Ended June 30, 2009, 2008, and 2007

	2009	2008	2007
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Change in net assets	\$ (204,163)	\$ (76,434)	\$ (186,765)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By Operating Activities:			
Loss on Sale of Property and Equipment			
Depreciation	320,276	318,942	317,534
Amortization of Bond Issue Costs	6,707	6,707	6,707
Amortization of Original Issue Discount on Bonds	6,308	6,308	6,308
(Increase) Decrease in Operating Assets			
Accounts Receivable	(1,188)	(26,919)	(29,529)
Accrued Receivables	314,803	(389,235)	(145,568)
Prepaid Expenses	31,004	(36,904)	(296)
Grants Receivable - For Others	(2,571,440)	4,376,410	911,030
Increase (Decrease) in Operating Liabilities			
Accounts Payable	691,065	255,334	55,486
Security Deposits	-	-	-
Accrued Bond Interest	(2,558)	(2,109)	(2,085)
Accrued Real Estate Taxes	4	(496)	(3,226)
Accrued Expenses	(3,561)	3,561	-
Deferred Grant Revenue	-	(52,198)	-
Grants Payable - For Others	2,571,440	(4,376,410)	(911,030)
Net Cash Provided By Operating Activities	1,158,697	6,557	18,566
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Payment of Bonds Payable	(120,000)	(100,000)	(100,000)
Net Cash Flows Used In Financing Activities	(120,000)	(100,000)	(100,000)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Purchase of Investments	(1,015,708)	(2,079,376)	(1,823,011)
Sale of Investments	980,891	2,162,629	1,799,091
Purchase of Property and Equipment	(1,002,949)	(341,249)	(2,761)
Net Cash Used In Investing Activities	(1,037,766)	(257,996)	(26,681)
Net (Decrease) Increase In Cash	931	(351,439)	(108,115)
Cash - Beginning of Year	204,618	556,057	664,172
Cash - End of Year	\$ 205,548	\$ 204,618	\$ 556,057
<u>SUPPLEMENTARY INFORMATION</u>			
Cash Paid for Interest	\$ 293,647	\$ 299,186	\$ 303,785

The Youngstown Central Area Community Improvement Corporation

Notes to Financial Statements

June 30, 2009, 2008, and 2007

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

The Youngstown Central Area Community Improvement Corporation (the “Organization”) is a community improvement organization which was formed on April 25, 1988, with the primary purpose of acting as a designated agent of the city of Youngstown, Ohio in promoting industrial and economic development within the central area of the city.

Basis of Accounting

The Organization has prepared its financial statements in conformity with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

The Organization maintains its cash balances in various financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000, which was a temporary increase starting in October 2008; and is scheduled to go back to the original limit of \$100,000 after December 31, 2009. The Organization’s deposits may at times exceed the insured limit.

Grants and Deferred Revenue

Governmental grants are deferred and are not recognized as revenue until expenditures are incurred.

Property and Equipment

Property and equipment are recorded at cost for purchased assets and at fair market value at the date of gift for donated assets. No formal appraisal has been done on the donated properties and no reasonable method has been available to value the property. Consequently, management has recorded land and building according to the assessment assigned by the Mahoning County Real Estate Tax Department in assessing county real estate taxes.

Renewals and replacements of a routine nature are expensed, while those that extend or improve the life of existing properties are capitalized.

Assets are depreciated by the straight-line method over their estimated useful lives. The following is a summary of the useful lives.

Land and Building Improvements	7-20 years
Buildings	20-30 years
Furniture and Equipment	5 years

Program Services

For financial statement purposes, the Organization is involved with one program service which is to promote industrial and economic development within the central business district of the city of Youngstown.

Restriction Policy

The Organization has no donor imposed restrictions which need to be classified as temporary or permanently restricted assets.

The Youngstown Central Area Community Improvement Corporation

Notes to Financial Statements

June 30, 2009, 2008, and 2007

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CON'T)

Use of Estimates

The Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosure. Actual results could differ from those estimates.

Federal Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

NOTE B – GRANTS

During 2008 two new grants were received for \$2,750,000 from OBOR and \$282,000 from the Small Business Administration. These grants were received for the Tech III projects. The total unused portion of these grants totaled \$3,032,000, \$460,560, and \$4,836,970 for the years ended June 30, 2009, 2008, and 2007, respectively.

NOTE C – INVESTMENTS

Investments are carried at market value as determined by quoted market prices. Investments consist of the following U.S. Treasury Money Market amounts as of June 30, 2009, 2008, and 2007.

	2009	2008	2007
Cost	\$ 957,567	\$ 992,750	\$ 1,006,003
Market Value	\$ 957,567	\$ 992,750	\$ 1,006,003

\$713,240, \$918,432, and \$782,317 of investments are held in Trust at Huntington National Bank in 2009, 2008, and 2007 respectively, for the purpose of satisfying scheduled payments on the bonds.

NOTE D – LONG TERM DEBT

Long-term debt consisted of the following:

	June 30		
	2009	2008	2007
Bond obligations, interest rates from 4.05% to 5.0 %, due at various dates until 2028	\$ 5,875,000	\$ 5,995,000	\$ 6,095,000
Less unamortized discount	100,493	106,801	113,110
Less current portion	125,000	120,000	100,000
Net Long-Term Debt	\$ 5,649,507	\$ 5,768,199	\$ 5,811,890

The Youngstown Central Area Community Improvement Corporation

Notes to Financial Statements

June 30, 2009, 2008, and 2007

Year Ending June 30,		Amount
2010	\$	125,000
2011		150,000
2012		160,000
2013		185,000
2014		190,000
Thereafter		5,065,000
	\$	5,875,000

Interest incurred was \$293,647, \$299,186 and \$303,785 for the years ended June 30, 2009, 2008 and 2007, respectively.

NOTE E – RENTALS UNDER OPERATING LEASES

The Organization earned \$65,617, \$66,512, and \$63,182 in 2009, 2008, and 2007 respectively, from the leasing of parking lots and office space to various businesses. These cancellable leases are on a month-to-month basis.

The Company is the lessor of office space under noncancellable operating with renewal options extending through 2029. Management expects these leases will be renewed. Including renewals, minimum future rentals to be received on these noncancelable leases as of June 30, 2009 for each of the next five years and in the aggregate are:

Year Ended June 30,		Amount
2010	\$	886,216
2011		886,216
2012		913,420
2013		913,420
2014		940,823
Thereafter		15,846,843
Total Minimum Future Rentals	\$	20,416,938

**The Youngstown Central Area
Community Improvement Corporation**

Notes to Financial Statements

June 30, 2009, 2008, and 2007

Following is a summary of office space held for lease:

	June 30		
	2009	2008	2007
Building	\$ 7,802,229	\$ 7,802,229	\$ 7,802,229
Less: Accumulated Depreciation	<u>2,540,726</u>	<u>2,280,651</u>	<u>2,020,577</u>
	<u>\$ 5,261,503</u>	<u>\$ 5,521,578</u>	<u>\$ 5,781,652</u>

Youngstown Central Area Community Improvement Corporation

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2008

<u>Federal grantor Pass-through grantor Program title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
Department of Housing and Urban Development	14.401	\$ 248,000
Economic Development Administration	11.300	2,000,000
		<hr/>
TOTAL FEDERAL AWARDS		\$ <u><u>\$2,248,000</u></u>

**The Youngstown Central Area
Community Improvement Corporation**

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2008

A. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Youngstown Central Area Community Improvement Corporation and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Youngstown Central Area Community Improvement Corporation

Schedule of Functional Expenses

For The Years Ended June 30, 2009, 2008, and 2007

	Program			General and Administrative			Totals		
	2009	2008	2007	2009	2008	2007	2009	2008	2007
Depreciation	\$ 320,276	\$ 318,942	\$ 317,534	\$ -	\$ -	\$ -	\$ 320,276	\$ 318,942	\$ 317,534
Contracted Services	351,117	354,940	294,031	24,000	24,000	24,000	375,117	378,940	318,031
Legal and Professional	13,247	15,213	21,209	-	-	-	13,247	15,213	21,209
Occupancy and Maintenance	533,040	488,595	469,633	-	-	-	533,040	488,595	469,633
Marketing	477	1,196	2,218	-	-	-	477	1,196	2,218
Consulting	151,663	139,285	139,786	-	-	-	151,663	139,285	139,786
Bond Expense	309,286	318,397	322,289	-	-	-	309,286	318,397	322,289
Real Estate Expense	4	647	1,587	-	-	-	4	647	1,587
Other	5,479	8,722	8,845	-	-	-	5,479	8,722	8,845
Total	\$ 1,684,589	\$ 1,645,937	\$ 1,577,132	\$ 24,000	\$ 24,000	\$ 24,000	\$ 1,708,589	\$ 1,669,937	\$ 1,601,132



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

November 19, 2009
Board of Trustees
Youngstown Central Area Community Improvement Corporation
Youngstown, Ohio

We have audited the financial statements of Youngstown Central Area Community Improvement Corporation as of and for the years ended June 30, 2009, 2008, and 2007, and have issued our report thereon dated November 19, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Youngstown Central Area Community Improvement Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of Youngstown Central Area Community Improvement Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combinations of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Youngstown Central Area Community Improvement Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Youngstown Central Area Community Improvement Corporation in a separate letter dated November 19, 2009.

This report is intended solely for the information and use of management, audit committee, others within the entity, Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BODINE PERRY, LLC
Certified Public Accountants and Business Analysts

Canfield, OH



**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

November 19, 2009

Board of Trustees
Youngstown Central Area Community Improvement Corporation
Youngstown, Ohio

Compliance

We have audited the compliance of Youngstown Central Area Community Improvement Corporation (a nonprofit organization) with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. Youngstown Central Area Community Improvement Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Youngstown Central Area Community Improvement Corporation's management. Our responsibility is to express an opinion on Youngstown Central Area Community Improvement Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Youngstown Central Area Community Improvement Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Youngstown Central Area Community Improvement Corporation's compliance with those requirements.

As described in item 2008-01 in the accompanying schedule of findings and questioned costs, Youngstown Central Area Community Improvement Corporation did not comply with requirements regarding the timely submission of the Single Audit reporting package. Compliance with such requirements is necessary, in our opinion, for Youngstown Central

Area Community Improvement Corporation to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, Youngstown Central Area Community Improvement Corporation complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of Youngstown Central Area Community Improvement Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Youngstown Central Area Community Improvement Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Youngstown Central Area Community Improvement Corporation's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Youngstown Central Area Community Improvement Corporation's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Youngstown Central Area Community Improvement Corporation's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

BODINE PERRY, LLC
Certified Public Accounts and Business Analysts

Canfield, OH

The Youngstown Central Area Community Improvement Corporation

Schedule of Findings and Questioned Costs

Year Ended June 30, 2008

Summary of audit results

1. The auditors' report expresses an unqualified opinion on the general purpose financial statements of Youngstown Central Area Community Improvement Corporation.
2. No material weaknesses were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Youngstown Central Area Community Improvement Corporation were disclosed during the audit.
4. No material weaknesses were disclosed during the audit of the major federal award programs.
5. The auditors' report on compliance for the major federal award programs for Youngstown Central Area Community Improvement Corporation expresses a qualified opinion.
6. There was one audit finding that was considered a significant deficiency described below relative to the major federal award programs for Youngstown Central Area Community Improvement Corporation.
7. The programs tested as major programs include the Department of Housing and Urban Development and Economic Development Agency.
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Youngstown Central Area Community Improvement Corporation was determined to be a low-risk auditee.

Findings—financial statements audit

There were no findings.

Findings and questioned costs – major federal award programs audit

SIGNIFICANT DEFICIENCY

Finding Number: 2008-01

**The Youngstown Central Area
Community Improvement Corporation**

Schedule of Findings and Questioned Costs

Year Ended June 30, 2008

Programs: Departing of Housing and Urban Development CFDA No. 14.401,
Economic Development Administration CFDA No. 11.300

Statement of Condition: *OMB Circular No. A-133 Audits of States, Local Governments, and Non-Profit Organizations*, Revised June 26, 2007, Section .320(a) requires the Single Audit reporting package to be submitted within the earlier of 30 days after receipt of the auditor's report(s), or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audit. The Entity did not comply with this requirement.

Criteria: OMB Circular No. A-133 Audit of States, Local Governments, and Non-Profit Organizations, revised June 26, 2007, Section .320(a).

Effect: The Single Audit reporting package was not submitted timely.

Cause: There were a number of audits that needed completed beginning with the year ended June 30, 2001, which delayed the audit for the year ended June 30, 2008.

Recommendation: Financial statements audits should be completed timely going forward.

Auditee Response: Financial statements audits are now up to date. Financial statements will be completed timely going forward and the issue should be resolved.

Findings from prior audits

There were no findings from prior audits.

**The Youngstown Central Area
Community Improvement Corporation**

Schedule of Findings and Questioned Costs (Continued)

Years Ended June 30, 2009 and 2007

Findings

There were no audit findings, during the 2009 and 2007 fiscal years.

**The Youngstown Central Area
Community Improvement Corporation**

Summary Schedule of Prior Audit Findings

Years Ended June 30, 2009, 2008, and 2007

Findings

There were no audit findings, during 2006, 2005, and 2004 fiscal years.



Mary Taylor, CPA
Auditor of State

YOUNGSTOWN CENTRAL AREA COMMUNITY IMPROVEMENT CORPORATION

MAHONING COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 25, 2010**